

96-8

Bulletin

To: Workers' Compensation Carriers Admitted to do Business in Kentucky

From: George Nichols III Commissioner of Insurance

Date: November 1, 1996

Re: Experience Modification Factor for Workers' Compensation

KRS 304:13-415 states that.... **"every employer, or its designated agent,"..."should be furnished upon request, without charge, a complete copy of the data and calculations of the experience modification by the insurance company or any entity to which the insurance company may delegate the duty of calculating and promulgating the experienced modification, or, if applicable, by any self-insurance group of which the employer is a member."**

It has been brought to the attention of the department that the sharing of information among admitted carriers and or self-insured groups may not be occurring in all instances. It is the intent of the statute that correct information be used in the calculation of experience modification factors to assure a fair and equitable market.

This bulletin hereby serves as a reminder that the information is to be shared among carriers and self-insureds. In most cases, NCCI is the agent authorized by more than 80% of the market to calculate experience modification factors. NCCI's Experience Rating Manual contains the prescribed form (ERM-6) required for self-insureds to submit their data for calculation. The Department of Worker's Claims will notify the Group Self-insured market of the expectations and the procedures necessary to submit data to the statistical agency. Any carrier or group found not in compliance will be sanctioned by the Department of Insurance or the Department of Workers Claims.

If we can answer any questions or be of service, please contact our Property and Casualty Division Director, Mona Carter, at 502-564-6046.